

Dist. by Sen. Black SB 291

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Bill No. SB 291

SB 291 Clarifications – Sen. Black

SB 291 establishes the Montana Railroad Development Authority (MRDA) as a replacement of the Rail Service Competition Council (RSCC).

Currently, under section 2-15-2511 MCA, the RSCC duties consist of the following.

- Promote rail service competition that results in reliable and adequate service at reasonable rates
- Develop a comprehensive and coordinated plan to increase rail service competition
- Reevaluate the state's railroad taxation practices to ensure reasonable competition while minimizing any transfer of tax burden
- Develop various means to assist Montanans impacted by high rates and poor rail service
- Analyze the feasibility of developing legal structures to facilitate growth of producer transportation investment cooperatives and rural transportation infrastructure authorities
- Provide advice and recommendations to the Department of Transportation
- Coordinate efforts and develop cooperative partnerships with other states and federal agencies to promote rail service competition
- Act as the state's liaison in working with Class I railroads to promote rail service competition
- Promote the expansion of existing rail lines and the construction of new rail lines

The Montana Railroad Development Authority (MRDA) would be responsible for all the duties of the RSCC listed above except the provision that requires the reevaluation of the state's railroad taxation practices (which the RSCC has previously failed to do anyway).

The MRDA replaces, improves, and strengthens the RSCC by making it more effective and efficient. Essential improvements the MRDA would provide are:

- Creates much more latitude in making proposals to the state legislature
- Budget is exactly the same as the RSCC under the DOT
- Any project authorized by the MRDA would have to be approved by the state legislature
- Gives bonding authority to the MRDA
- Able to make decisions on the purchase, bonding, or retaining of rail-lines and spurs that would benefit the state
- The members of the MRDA would include the same qualifications required by the RSCC
 - The MRDA would eliminate the director of the Department of Revenue as a member
 - It would replace the director of the DOR with a knowledgeable member with expertise in passenger and structure of Railroads
- Ability to address abandonment of rails and rail passenger services

The MRDA is the evolution of the RSCC into a body recognized by statute. Montana cities and counties currently have their own Railroad Authorities. The MRDA would give the state of Montana the same authority the cities and counties currently possess. Without a railroad authority in Montana the RSCC is unable to adequately act to improve the railroad conditions within the state.

